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March 11, 2011

David Meyer
Glencoe Light and Power Commission
305 11th St. East
Glencoe, MN 55336

Larry Gasow
McLeod County
830 11th St. East
Glencoe, MN 55336

**Re: Local Review of Glencoe Light and Power 115 kV Transmission Line and Substation
Commission Docket Number: E241/LR-11-162**

Dear Mr. Meyer and Mr. Gasow,

Greetings. This letter confirms that the Minnesota Public Utilities Commission (Commission) has received notification that the Glencoe Light and Power Commission (GLPC) intends to seek local review to construct a new 4.5-mile long 115 kilovolt (kV) transmission line and associated substation ("East Substation"). The transmission line and substation would be located in McLeod County; the transmission line would pass through the city of Glencoe.

Under the Power Plant Siting Act, a permit from the Commission is required for transmission line projects over 100 kV (Minn. Stat. § 216E). However, local review and permitting is possible for eligible projects (Minn. Stat. § 216E.05). For such projects, a utility may apply to a local unit of government instead of the Commission for a permit to build the project. This letter confirms that GLPC's proposed project is eligible for local review.

Based on the proposed location of the project, McLeod County and the city of Glencoe are the local units of government with jurisdiction to permit the project. It is our understanding that GLPC will be seeking a conditional use permit from McLeod County for that portion of the project in the county. A local unit of government may relinquish its permitting jurisdiction by requesting that the Commission assume jurisdiction within 60 days of the filing of an application with the local unit of government (Minn. Rules 7850.5300, Subp. 4).

An environmental review process, including the development of an environmental assessment (EA), must be conducted by a local unit of government with jurisdiction over the project (Minn. Rules 7850.5300). It is our understanding that McLeod County and the city of Glencoe are in agreement that McLeod County will be responsible for the environmental review process for GLPC's proposed project.

Specific requirements with regard to the environmental review process include (Minn. Rules 7850.5300, Subp. 5):

- (1) Providing an opportunity for the public to participate in the development of the scope of the environmental assessment (EA) before it is prepared,
- (2) Publishing notice in the EQB Monitor when the assessment is available for review and the procedure for commenting on the assessment, and
- (3) Withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor.

McLeod County must also provide a copy of the environmental assessment to the Commission when it is completed (Minn. Rules 7850.5300, Subp. 5). Electronic filing (eFiling) of the environmental assessment is encouraged (<https://www.edockets.state.mn.us/EFiling>). Files of less than five megabytes (5 MB) in size are also encouraged.

This letter confirms that GLPC has sent the required notice to those persons on the Commission's general notification list that a permit has been applied for from a local unit of government (Minn. Rules 7850.5300, Subp. 3).

Finally, GLPC's proposed project is part of a larger transmission project – the Glencoe to Waconia transmission line upgrade – that requires a certificate of need from the Commission (Commission docket number CN-09-1390). Accordingly, permitting of GLPC's proposed project is dependent upon a determination by the Commission that the Glencoe to Waconia upgrade is needed by the State of Minnesota. Thus, though the environmental review process may proceed, McLeod County may not issue a permit for GLPC's project prior to this determination.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Kirsch".

Ray Kirsch
Energy Facility Permitting
Office of Energy Security
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651-296-7588

cc: Burl Haar, Commission
Bob Cupit, Commission
Mark Larson, City of Glencoe